
Appendix F: Workforce Plan

Anticipated Changes in Strategies

The Coordinating Board anticipates several changes that will significantly impact the agency's business and workforce, as outlined below:

- Increased requests from customers requiring new additional applications of technology, ranging from “real-time” review of loan status to videoconferencing, to website maintenance skills for each division; and
- New programs authorized by the Legislature, such as new student financial aid programs, and increased agency responsibilities involving the higher education community.

Although many workforce issues present challenges, the Coordinating Board is committed to addressing areas of critical concern. These areas include:

- A high rate of anticipated retirement in senior management/professional positions;
- Recruiting and retaining top performers with higher education knowledge in senior management/professional positions;
- Enhancing current business technology processes to meet agency's business needs, responsiveness and objectives; and
- Utilizing the full salary range of agency's salary table to address real or perceived salary differences with other state agencies and public educational institutions/non-state agencies.

I. Current Workforce Profile (Supply Analysis)

Critical Workforce Skills

The Texas Higher Education Coordinating Board employs many well-qualified individuals, some with highly specialized skills unique to the agency. There are a number of skills that are critical to the agency's ability to meet the ongoing business objectives and goals as well as legislative mandates. These current critical workforce skills include the following:

- Knowledge of higher education programs in general;
- Formula Funding and Curriculum Review;
- Student Loan Bonds;
- Governmental Accounting;
- Project Management;
- Data Analysis;

- Leadership/Management;
- Information Technology; and
- Succession Planning

Workforce Demographics:

Gender of Workforce and Age of Workforce

As of January 31, 2009, the agency had a total employee head count of 288. The agency is authorized to have 307.9 full time equivalent employees (FTEs). Figure E.1 below provides a profile of the Coordinating Board's current workforce as of January 2009. The charts provide information related to gender, age, and tenure at the agency. In summary, the agency's workforce is 34% male and 66% female. Over 74% of the agency's workforce is age 40 or over. The data clearly shows that the agency must be prepared for the impact of the upcoming eligible retirements. This will be a loss of experience and historical perspective, especially in positions related to leadership/management positions and in positions whose functions are considered "mission-critical" to the agency.

Tenure of Workforce (in years)

The Coordinating Board has an experienced workforce with institutional knowledge with 57% of its employees having over 10 years of agency employment. However, the Coordinating Board continues to have fewer young employees. Only 3.8% of the Coordinating Board's workforce is under the age of 30, and almost 25% of the agency's workforce has five or less years of service with the agency. This data clearly shows that the agency will need to implement new strategies and tactics to recruit and retain the younger generation of employees.

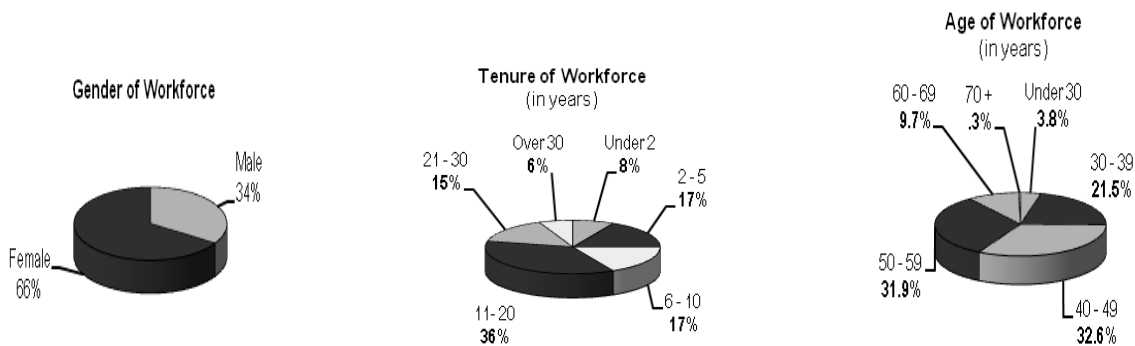
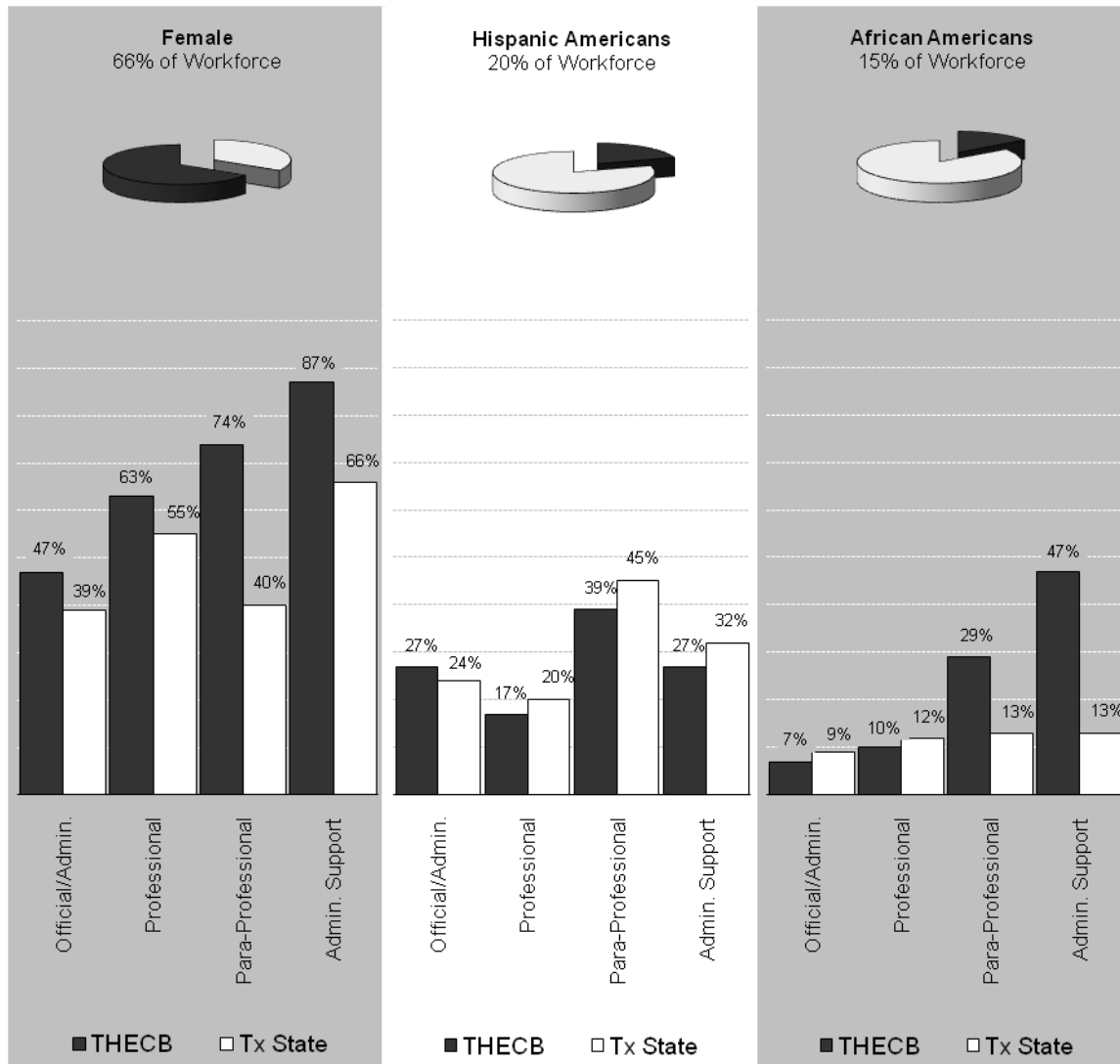


Figure E.2 compares the agency's percentage of Hispanic, African American and female Coordinating Board employees (as of January 31, 2009) to the statewide civilian workforce as reported by the Civil Rights Division of the Texas Workforce Commission. The Coordinating Board continues to meet or exceed several diversity targets. Females continue to be well represented in all job categories currently used in the agency. African Americans exceed targeted levels in two of four job categories, while Hispanics exceed in the Official/Admin job category.

Figure E-2. THECB Workforce Utilization Analysis (January 31, 2009)



Source: The Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2009, for the state of Texas

In our continued efforts to improve the diversity targets that are underrepresented, the Coordinating Board will continue to actively recruit to diversify the workforce. The Human Resources Department has participated in several college recruitment fairs which included Huston Tillotson, a historically black institution. The Coordinating Board has established a good relationship with the placement offices at our local universities. We have been able to attract and offer paid internships to a young diversified group of minorities to perform meaningful work. Our records indicate that beginning in Fiscal Year 2008 and to the present, the agency has filled seasonal positions with 15 paid Interns to perform work functions across the agency. Two were African American females, one African American male, two Hispanic females, two Hispanic males, one Asian female, one Asian male, and four Caucasian female and two Caucasian males. Our college internship program provides a potential pool of employees that is already familiar with the agency's goals and missions. We have been able to fill at least two vital budgeted positions in our agency through our internship program with one Hispanic male and one Caucasian female.

The agency will focus on recruitment efforts to produce a pool of qualified Hispanic and African American applicants that reflect the appropriate state or metropolitan civilian workforce availability figures for the job category of each posted position. We will continue to advertise our vacancies at the Texas Workforce Commission, local and metropolitan newspapers, *The Chronicle of Higher Education*, the *Hispanic Outlook*, the *Diverse Issues* and the *National Association for the Advancement of Colored People (NAACP)* to attract and recruit a diverse applicant pool. We will also continue to engage in college recruitment fairs for internship positions across the agency. The Internship Program provides meaningful work, the time and on-the-job experience needed for students. It also provides managers time to evaluate the long-term potential fit between the agency and the student.

Employee Turnover

In spite of the fact that Texas has consistently done better than any large state in the nation in terms of lower levels of unemployment, retaining a skilled workforce continues to be a crucial task in almost every state organization. Texas Workforce Commission (TWC) Chairman, Tom Pauken, recently released information in the *December 2009 Labor Market Data Audio Text* indicating that in December of 2009, Texas experienced 24,000 job losses but also saw a net gain of 50,000 jobs in September, October and November of 2009. The January 22, 2010, *Texas Workforce Press Release* reported that Education and Health Services employment increased by 4,800 positions in December 2009, representing the addition of 60,400 jobs in 2009. Additionally, the U.S. Department of Labor Bureau of Labor Statistics released in January 22, 2010, showed statistics that Texas had created 724,300 more net private sector jobs as compared to December 1999, the largest private sector job gain nationwide over the last decade. In December 2009, the Austin-Round Rock unemployment rate was 6.9% and the overall Texas unemployment rate was 8.0% while the US unemployment rate was 9.7%. This information illustrates that unemployment in Texas is below the national level of 10% and that the Texas labor market continues to provide employment opportunities in the private sector and Education Services with the possibility of earning higher wages.

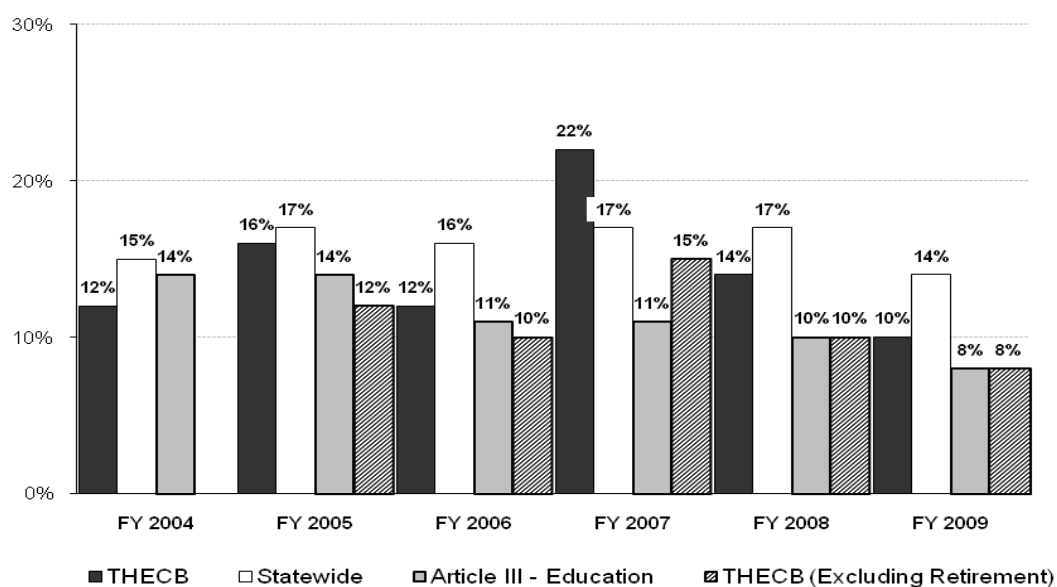
We continue to experience employees leaving state employment for higher wages in the private sector or the Education Services field. Data from the State of Texas Employee Exit Survey for Fiscal Years 2005 to the present reveals that 31.25% of exiting employees

identified leaving the agency for better pay/benefits. Additional data reveals that 31% of employees with two to five years of agency service was the highest turnover rate in FY 2009. The next highest turnover rate of 21% in FY 2009, was for employees with 11 to 20 years of agency service. The agency continues to struggle with its inability to match salaries offered by the private sector or by institutions of higher education. In FY 2009, four Professional job offers and one Para-professional job offer were declined due to low compensation. Unfortunately, we will continue to experience the negative effects that come with low starting salaries and employee turnover. Our ability to function at maximum efficiency, and losing the critical knowledge, skills, and abilities that exiting employees take with them makes it difficult to fulfill the agency's strategic goals. In addition, high turnover causes losses in productivity, low morale among the remaining employees and an increase in direct and indirect costs associated with employee turnover. Direct costs would be recruitment activities such as applicant testing, interviews, new employee orientation, advertising cost and training activities. Indirect costs are losses of productivity and loss of knowledge, skills and abilities.

Although the turnover rate for the Coordinating Board (not counting those who retired) has decreased from Fiscal Year 2008 to Fiscal Year 2009, the agency is still experiencing the highest turnover in the professional job category – more specifically, those positions requiring a higher level of educational credentials, such as a master's or doctoral degree.

The following chart compares the average Coordinating Board turnover rates to that of the state and other Article III agencies over the last six years. The agency's turnover has been generally lower than the state's turnover rate, and the turnover rate compared to Article III-Education agencies (excluding retirement) for FY 2008 and FY 2009 are equal to one another.

Figure E-3. THECB Regular Full and Part-time Employee Turnover Rate for Fiscal years 2004-2009



Source: Statewide turnover rates provided by the State Auditor's Office.

Table 1 provides an additional breakdown percentage by age, length of service, ethnicity, gender, highest EEO category, and retirement for Fiscal Years 2008 and 2009.

Table 1. THECB Turnover Percentage for Fiscal Year 2008 and 2009.

Texas Higher Education Coordinating Board Breakdown of Turnover Percentage				
Description	FY 2008		FY 2009	
	Number	Percent	Number	Percent
Age groups under 30	3	8%	4	14%
Age groups between 30 and 39	7	18%	4	14%
Age groups between 40 and 49	9	23%	9	31%
Age groups between 50 and 59	8	21%	5	17%
Age groups 60 and over	12	31%	7	24%
Agency tenure under 2	12	31%	5	17%
Agency tenure between 2 and 5	12	31%	9	31%
Agency tenure between 6 and 10	6	15%	3	10%
Agency tenure between 11 and 20	8	21%	6	21%
Agency tenure between 21 and 30	1	3%	5	17%
Agency tenure over 30	0	0%	1	3%
Male	11	28%	10	34%
Females	28	72%	19	66%
African Americans	2	5%	7	24%
Hispanic Americans	10	26%	5	17%
Retirement	9	23%	7	24%
EEO group with highest level turnover: Professional	25	64%	18	62%

Source: THECB Human Resource Department

As identified from the table above, the highest turnover for Fiscal Years 2008 and 2009 was in the professional job category. These positions require a higher level of educational credentials, such as a master's or doctoral degree.

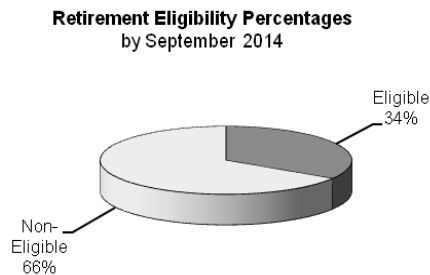
To minimize the loss in turnover, the agency continues to practice and promote retention and recruitment programs to retain and attract a diverse and knowledgeable workforce. In September of 2009, the agency invested in NeoGov, a web-based recruitment and hiring application system. NeoGov has a number of beneficial features for the agency and the applicants. One feature that is invaluable is the automatic online job interest cards. Job seekers, who elect this feature, receive an e-mail notifying them that a job posting that matches their qualifications/competencies has been posted. Another valuable feature is the ability to screen employment applications automatically. Our hiring officials are able to create, store and reuse supplemental employment questions that will identify if a job seeker possess the knowledge, skills, and abilities required to perform the work responsibilities. NeoGov has a reporting and analysis component that collects and reports EEO data, analyzes and reports adverse impact, application flow, tracks and analyzes data on time-to-hire, and recruitment costs.

The agency will continue to promote the following retention programs to retain the agency's diverse workforce and improve employee retention rate by:

- Continuing to encourage flexible work schedules and job sharing opportunities to allow employees to balance work/life activities. Currently, 9% of our workforce participates in a non-traditional work schedule.
- Allowing telecommuting for appropriate personnel. Human Resources data indicates that 12% of our workforce participates in telecommuting.
- Awarding Outstanding Performance Leave for outstanding Performance. This incentive allows supervisors to recognize and reward staff for outstanding work performed.
- Supporting and promoting the Educational Leave Program for undergraduate college courses at an accredited institution. In FY2009, one Hispanic male and one Hispanic female participated in the program.
- Making available a \$1,500 Employee Scholarship Program payable to at least five employees to pay for eligible expenses;
- Awarding Performance Base Merit Salary Increases; and
- Promoting and filling job vacancies in-house. In FY2008, six positions were posted and filled internally and in FY2009, 11 positions were posted and filled internally.

Retirement Eligibility:

Figure E-4. Projected Retirement Eligibility Based on Current Workforce.



Source: THECB Human Resource Office, January 31, 2009

As identified in the past, predicting future turnover based on retirement eligibility can be difficult. An employee's eligibility to retire is not an accurate indicator of his or her election to retire. Factors that play a major role in the decision to retire could be income requirements, eligibility for insurance, and social security benefits. Regardless of these factors, the agency must be prepared to effectively address future and potential talent and institutional knowledge loss.

During Fiscal Years 2008 and 2009, 16 employees retired (as identified on Table 1). The table below identifies that for FY2011 and FY2012, nine out of fifteen Officials/Administrators will become eligible for retirement. For FY2013 and FY2014, ten out of fifteen Official/Administrators will become eligible for retirement. The highest EEO classification with the highest retirement eligibility percentage is the agency's professional staff. Directors, Program Directors, Senior Directors, Assistant Directors, and Programmers are classified under the professional EEO category. This suggests a

potential concern relating to the transfer of knowledge and experience within the agency's professional and middle management structure.

Table 2. Projected Retirement Eligibility for Regular Employees by EEO Classification.

EEO Classification	Current Workforce	Percentage of Workforce	Project Retirement Eligibility									
			FY10		FY11		FY12		FY13		FY14	
Officials/Administrators	15	5%	7	47%	9	60%	9	60%	10	67%	10	67%
Professionals	198	69%	43	22%	47	24%	57	29%	64	32%	72	36%
Technical	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Para-Professional	60	20%	4	7%	5	8%	6	10%	7	12%	10	17%
Administrative Support	14	5%	3	21%	3	21%	3	21%	3	21%	5	36%
Skilled Craft	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	287	100%	57	20%	64	22%	75	26%	84	29%	97	34%

Source: THECB Human Resource Office, January 31, 2009

In addition to implementing a Succession Planning policy to ensure leadership positions and critical function roles are filled with minimal disruption to operations, the agency developed and implemented in FY2008, the Employee Development Record Tool a centralized database that retains and records the development and training records of each staff member. We have successfully filled at least 17 positions in-house that perform critical functions with current employees. This reduced the learning curve experienced by new employees, the direct cost associated with filling a vacancy, and most importantly the agency was able to retain the institutional knowledge and work skills of these employees.

II. Future Workforce Profile (Demand Analysis)

Technology advances to assist with our daily business operations needs to substantially improve our internal business operations.

To continue to enhance our productivity and business processes we need to conduct an in-depth analyses of required competencies to perform critical functions, identify training opportunities and review the current organizational structure and staff allocations to improve business techniques and responsiveness. An in-depth analysis of our future workforce needs must be conducted. The Human Resources Department with the assistance of the HR Workgroup will take the lead to complete this analysis

Critical Functions

In addition to the workforce skills currently possessed by staff, it is anticipated that there will be an increased need for staff to possess the following essential skills to successfully achieve the agency's strategic plan:

- Knowledge of student financial aid;
- Knowledge of funding formulas;
- Knowledge of public finance bond issuance;
- Advanced computer related skills;
- Ability to use technology to streamline workflow;

- Knowledge of system design and analysis;
- Knowledge of web design and development;
- Knowledge of governmental accounting;
- Leadership, management and supervision skills;
- Strong communication skills
- Strong analytical skills
- Change management and strategic planning skills; and
- Project management skills.

Expected Workforce Changes

Knowledge of higher education is a critical function for the Coordinating Board workforce. The agency is concerned about the ability to successfully attract qualified applicants with higher education knowledge and experience. Among the factors impacting this problem, is the non-competitive nature of our salary structure.

Successful working relationships with key stakeholders in education (including high-level administrators from institutions and systems throughout the state, representatives of other state agencies and the legislative offices, and business/community leaders all active in seeking solutions to education-related issues) have been dependent upon staff members who are knowledgeable in higher education issues and who are able to map solutions to complex problems.

The agency's need for employees to develop policy documents, prepare non-standard reports, and analyze data in response to internally and externally generated inquiries is growing. Also, the agency has a growing need for employees with higher technology skills. Technology-related requirements will affect the agency in two ways — first, the staffing and skills required of employees, and second, the technical support provided through the information technology team. Training to increase the database software skills of current employees, and hiring new employees with those skills, will allow a wider range of staff to produce their own reports.

Future Workforce Skills Needed

To be able to effectively and efficiently pursue the goals set forth in *Closing the Gaps*, the agency relies on a knowledgeable, dedicated, and talented workforce. To ensure that the agency continues to have a very skilled and motivated workforce, the agency has provided the following in-house training opportunities to enhance employees' computer skills and to retain their current work skills to effectively perform their work responsibilities.

- Dynamic Problem Solving
- Strategic Time Management
- Introduction to Project Management
- Rolling with the Changes
- TeamBuilding-How to Get People to Work Together
- Write Well-Techniques for Effective on the Job Writing
- Telephone Communications Skills
- Introduction, Intermediate, and Advanced Excel 2007
- Introduction, Intermediate and Advanced PowerPoint

- InfoPath
- Intermediate and Advanced Access 2007
- Personnel Law for Supervisors and Managers
- EEO Compliance
- Managing Difficult Employee Issues

The Human Resources Department will continue to provide in-house training opportunities to enhance the workforce skills needed to meet the agency's goals and objectives.

III. Gap Analysis

Anticipated Surplus or Shortage of Workers or Skills

The leadership development is a pressing need for the Coordinating Board. As the agency's leadership becomes eligible for retirement, it will become increasingly important for the agency to identify potential leaders who possess needed leadership skills. The agency must focus to implement a succession plan to ensure that critical functions in the areas of information resources, data analysis, formula funding, curriculum review, student loan bonds and governmental accounting functions are filled with minimal disruption to operations.

First, the Coordinating Board will emphasize cross-training within divisions. This will permit continuous service to agency customers by ensuring that more than one person in each division is capable of carrying out the major responsibilities within the division. This training is important in a variety of situations, including the sharing of knowledge, before an employee retires, is out sick, or on vacation, and allows for preliminary training and exposure to skills necessary for advancement.

Second, the HR department will continue to provide the necessary developmental opportunities to enhance the knowledge, skills, and abilities of its workforce.

Third, the agency will continue to review internal systems managed by the Deputy Commissioner's Office of Business & Finance to improve and enhance business operations and processes. The resulting modifications will improve intra- and inter-division operations and the overall functioning of the agency.

Fourth, the Coordinating Board must utilize the full salary range to post vacancy announcements in order to ensure salary competitiveness and to attract a pool of qualified candidates with higher education experience as the agency fills professional-level positions that become vacant due to retirement and attrition.

IV. Strategy Development: Response to Anticipated Worker Surplus/Shortage

In response to the potential deficits between the current workforce and anticipated employee demands, the Coordinating Board has identified several goals for the current workforce plan. These goals evolved through expanding the dialogue among the agency's chief administrators, thus requesting that consideration be given beyond agency routine activities, and the impact of the agency's long-term goals (mainly *Closing the Gaps*) in their divisions' workforce.

The Coordinating Board's workforce requirements can be grouped into the following key areas:

Texas Higher Education Coordinating Board Workforce Plan: Strategy Development	
Gap	Potential that the Coordinating Board will not attract qualified applicants with higher education experience for professional level positions.
Goal	Utilize the full salary range to post vacancy announcements in order to ensure salary competitiveness to recruit and retain applicants with knowledge of higher education issues.
Rationale	It is critical for the Coordinating Board to recruit and retain staff members with knowledge of higher education issues in order to preserve successful work relationships with stakeholders and to find successful solutions to complex problems.
Action Steps	When budget permits, post vacancies above the minimum for the position's salary group.
Gap	Enforce the succession plan for critical positions and critical functions.
Goal	Provide assessment tools to divisional personnel to identify critical positions and critical functions performed in the division.
Rationale	To ensure that critical positions and functions within the organization have proper successors.
Action Steps	Identify positions and functions critical to daily operations. Identify employees who could potentially fill critical functions or positions. Review of data on all potential candidates, including performance evaluations, experience and skills, education and personal career goals. Use objective data to evaluate quality of the candidates. Determine and address training, development, and experience needs of candidates.
Gap	Limited knowledge sharing.
Goal	Increased employee cross-training.
Rationale	Cross-training is critical to retaining the knowledge base that is needed in areas with a high learning-curve, particularly in higher level positions across the agency.
Action Steps	Identify the most critical knowledge areas for cross-training potential. Implement a cross training program. Develop in-house training and on-line training techniques.
Gap	Limited efficiencies and communication opportunities associated with technology.
Goal	Increased skills associated with computer applications for current and new employees.
Rationale	An effective and efficient workforce must have the skills in technology that are used on a routine basis, and be able to adapt to new technology changes in the workplace.
Action Steps	Continue with providing in-house training in new technology applications. Consider limiting participants to employees that are rated by their supervisor as being highly skilled users or users with high potential. Even with prerequisite course work, experience has shown that grouping "like skill levels"

	provides a better environment more conducive to learning, and maximizing the learning opportunities across the various classes.
Gap	Ability to respond to non-routine activities.
Goal	Encourage development of critical thinking and solution-oriented skills.
Rationale	The agency is finding that its managers and employees need training on how to manage change effectively.
Action Steps	Continue to provide change management training to the higher-level employees first, and to mid-level and first-line supervisors next, and to additional employees as appropriate.
Gap	Modify and enhance current internal technology systems to meet the needs of internal users, meet the business needs and objectives.
Goal	Incorporate staff's knowledge into the systems through the Information Technology Workgroup.
Rationale	The organization needs improved support from agency Business & Support Services division and the division needs to make better use of its existing staff by transforming ongoing labor costs to investments in smarter systems that will be efficient and accessible, and enabling staff to concentrate on higher level application of their skills.
Action Steps	The agency has acquired the in-house expertise of Information Technology Services to advise the agency on development of various systems, and to work with an in-house team to develop system and component specifications and gauge realistic implementation and product delivery dates.